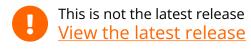


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## Working arrangements

Working arrangements and forms of employment, such as casual work, fixed-term, independent contractors, shift work, job flexibility and job security

Reference period August 2021

Released 14/12/2021

#### On this page

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**Independent contractors** 

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## **Key statistics**

- 2.4 million casual employees (23% of employees, 19% of all employed), down from 2.6 million in May 2021.
- 41% of employed people regularly worked from home, up from 32% in Aug 2019.
- 1.0 million independent contractors (7.8% of all employed).
- 43% of employees were entitled to paid parental leave.

Some of the information on working arrangements is collected in alternating years of the Characteristics of Employment Survey. As a result, this topic page contains data Prior to August 2020, information on working arrangements was published in <u>Characteristics of Employment (/statistics/labour/earnings-and-work-hours/characteristics-employment-australia/aug-2019)</u>.

From August 2020, statistics from the Characteristics of Employment survey are now published in three topic-based releases - this Working arrangements release, as well as:

- Employee earnings (/statistics/labour/earnings-and-work-hours/employee-earnings/aug-2021), 2021
- Trade union membership (/statistics/labour/earnings-and-work-hours/tradeunion-membership/aug-2020), 2020 (updated biennially)

Employee earnings, working arrangements and trade union membership data from the Characteristics of employment survey for 2014 to 2021 will be available in <u>TableBuilder (/statistics/microdata-tablebuilder/available-microdata-tablebuilder/characteristics-employment-australia)</u> from 14 December 2021. TableBuilder enables the creation of customised tables and graphs.

Spreadsheets containing data prior to 2021 can be found in the 2020 release (https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/characteristics-employment-australia/aug-2020). In 2022, the ABS will update the spreadsheets to include the timeseries format used in monthly Labour Force statistics and recently implemented for the February 2021 release of Participation, Job Search and Mobility (https://www.abs.gov.au/statistics/labour/employment-and-unemployment /participation-job-search-and-mobility-australia/latest-release). When this occurs, each spreadsheet will contain timeseries data for the 2014 to 2021 period, to facilitate automatic downloads and "data scraping," with each timeseries provided a unique series identifier.

## Casual employment

The main indicator ABS uses for casual employment is whether an employee is entitled to paid leave, which includes paid sick leave or paid holiday leave. These entitlements are usually reserved for non-casual employment (or what some people consider to be

'permanent employment', although there are many people that work as casuals on a longterm basis).

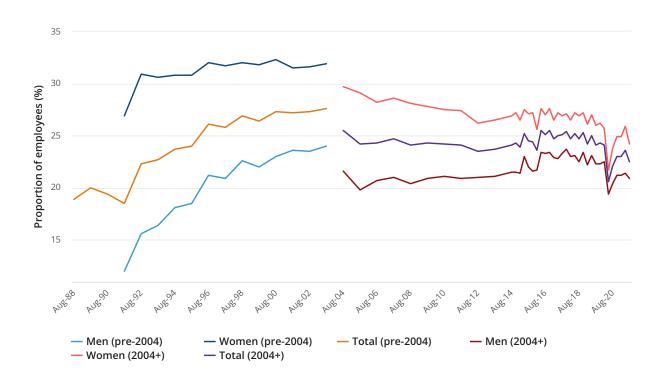
In August 2021, there were 2.4 million employees who were not entitled to paid leave. This was 23% of all employees, or 19% of all employed people.

For employees who worked part-time in their main job, 48% were not entitled to paid leave (1.6 million).

Quarterly measures of paid leave entitlements have been collected in the Labour Force Survey since August 2014, and are available in Table 13 of <u>Labour Force</u>, <u>Australia</u>, <u>Detailed</u> (<a href="https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia-detailed/latest-release">https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia-detailed/latest-release</a>).

In May 2021, the proportion of employees in casual employment rose to 23.6%, after reaching a low rate of 20.6% in May 2020, which was the lowest rate since August 1991.

## Share of casual employment



(1996) 3. Employee Earnings, Benefits and Trade Union Membership, Australia (https://www.abs.gov.au/AUSSTATS/abs@.nsf/allprimarymainfeatures/3AC58BDF664E8ED5CA256FCB00735B35?opendocument) (1997-2003), 4. Characteristics of Employment, Australia (https://www.abs.gov.au/AUSSTATS/abs@.nsf/Lookup/6333.0Main+Features1August%202017?OpenDocument=) (2004-2013), 5. Labour Force, Australia, Detailed (https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia-detailed/latest-release) (2014-2021)

Notes: 1. pre-2004 series: includes Owner Managers of Incorporated Enterprises (OMIEs), 2. 2004+ series: excludes OMIEs, 3. From August 2014, casual employment is collected quarterly in the Labour Force Survey. 4. The ABS plans to produce historically comparable estimates for the pre-2004 period, excluding OMIEs, in the future.

#### What is casual employment?

There is no single definitive measure to determine the number of people in casual employment at any one time; however, the ABS most regularly uses information on paid leave entitlements as a proxy for measuring casual employment in the Australian labour force. The ABS has three data items related to casual employment:

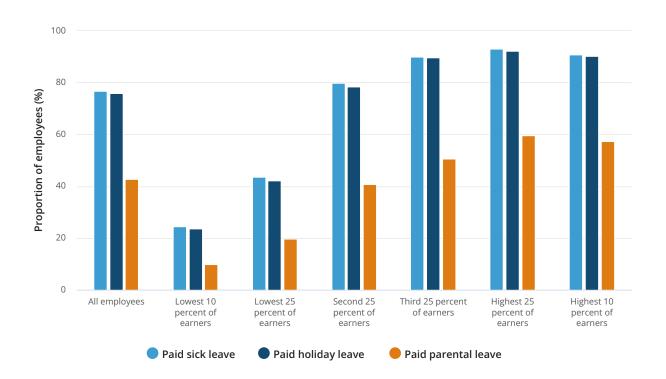
- employees without paid leave entitlements
- employees who receive a casual loading (last collected in a labour household survey in August 2013)
- employees who consider their job to be casual (self-perception).

For more information, refer to <u>Labour Statistics</u>: <u>Concepts, Sources and Methods</u> (<a href="https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject/">https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/by%20Subject//6102.0.55.001~Feb%202018~Main%20Features~Employment~4)</a>.

Access to leave entitlements is more common among higher paid workers. In August 2021, 90 per cent of employees who earned the median wage of \$1200 per week or more were entitled to paid sick leave or paid holiday leave. Over 50 per cent had access to paid parental leave.

For workers in the lowest 25 per cent of earners (less than \$750 per week), 40 per cent had access to paid sick leave or paid holiday leave and 20 per cent were entitled to paid parental leave.

## Paid leave entitlements by lower and higher paid workers

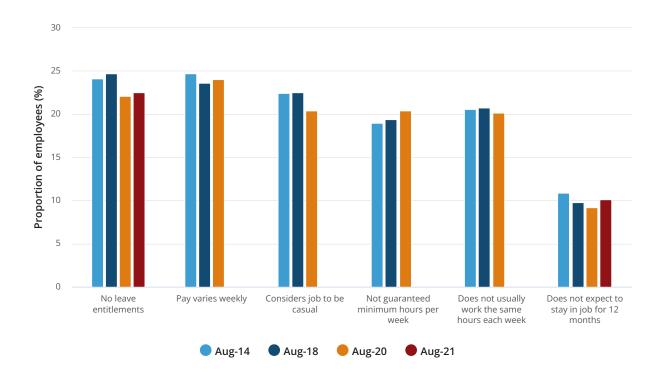


There are several other broader indicators of casual employment that can be used, including people who have hours or earnings that vary.

For employees in August 2020:

- 20.4% consider their job to be casual (self-perception) (2.1 million)
- 24.0% have earnings that vary from one period to the next (excluding overtime payments) (2.5 million)
- 20.1% do not usually work the same number of hours each week (2.1 million)
- 20.4% do not have a guaranteed minimum number of hours each week (2.1 million)
- 9.2% do not expect to be working for their current employer in 12 months (970,000).

## Indicators of casual employment

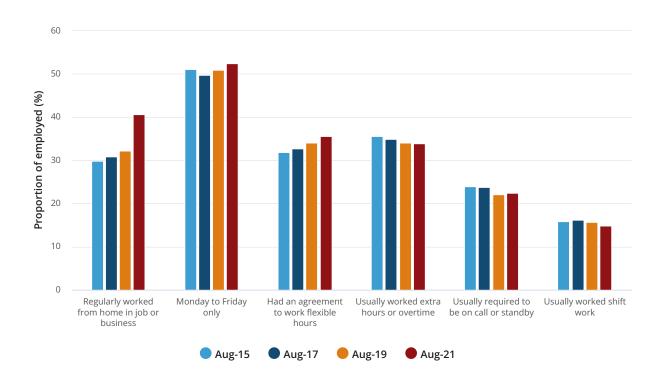


## Working time arrangements

For employed people in August 2021:

- 36% had an agreement to work flexible hours, up from 32% in 2015 and 34% in 2019
- 41% regularly worked from home in August 2021, up from 30% in 2015 and 32% in 2019
- 34% usually worked extra hours or overtime, down from 36% in 2015
- 23% were usually required to be on call or standby, down from 24% in 2015.

#### Working arrangements



## Working from home

The ABS has measured the number of people working from home since 1970. The rates seen during the pandemic in 2020 and 2021 were the highest ever recorded.

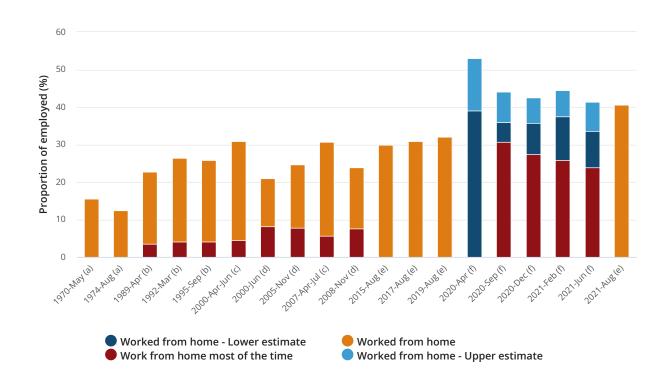
In August 2021, 41% of employed people regularly worked from home.

Between 1989 and 2008, around 20-30% of people worked from home, with around 4-8% working most of their hours from home. In August 2019, working from home increased to 32%.

The ABS measured people working from home during the pandemic in the <u>Household</u> <u>Impacts of COVID-19 Survey (/statistics/people/people-and-communities/household-impacts-covid-19-survey/jun-2021)</u>. While it is not directly comparable with estimates from the Characteristics of Employment Survey, it showed that between September 2020 and June 2021, about 40% of employed people were working from home, with 20-30% working

most of their hours from home.

## Working from home



Worked from home last week: (a) Journey to Work and Journey to School (https://archive.org/details/australian-statistics?and%5B%5D=subject%3A%22Journey+to+Work%22&sort=-date)., 1970-1974, (b) Persons Employed at Home (https://www.abs.gov.au/AUSSTATS/abs@.nsf/second+level+view?ReadForm&prodno=6275.0&viewtitle=Persons%20Employed%20at%20Home,%20Australia~September%201995~Previous~08/05/1996&&tabname=Past%20Future%20Issues&prodno=6275.0&issue=September%201995&num=&view=&)., 1989-1995, (d) Locations of Work (https://www.abs.gov.au/AUSSTATS/abs@.nsf/second+level+view?ReadForm&prodno=6275.0&viewtitle=Locations%20of%20Work~Nov%202008~Latest~08/05/2009&tabname=Past%20Future%20Issues&prodno=6275.0&issue=Nov%202008&num=&view=&)., 2000-2008; -Usually works from home: (c) Employment Arrangements, Retirement and Superannuation (https://www.abs.gov.au/AUSSTATS/abs@.nsf/second+level+view?ReadForm&prodno=6361.0&viewtitle=Employment%20Arrangements,%20Retirement%20and%20Superannuation,%20Australia~Apr%20t

o%20Jul%202007%20(Re-issue)~Latest~02/06/2009&&tabname=Past%20Future%20Issues&prodno=6361.0&

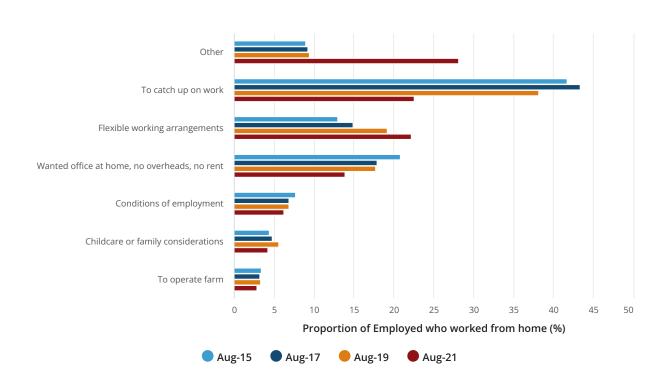
<u>issue=Apr%20to%20Jul%202007%20(Re-issue)&num=&view=&)</u>, 2000-2007, (e) <u>Characteristics of Employment (https://www.abs.gov.au/statistics/labour/earnings-and-work-hours/characteristics-</u>

<u>employment-australia/latest-release</u>)\_, 2015-2021; - Worked from home in last four weeks: (f) <u>Household Impacts of COVID-19 Survey (https://www.abs.gov.au/statistics/people/people-and-communities/household-impacts-covid-19-survey/latest-release</u>)\_, 2020-2021

The main reason people worked from home during 2015 to 2019 was to catch up on work. In 2021, people reported 'other' as the main reason why they worked from home. The use of 'other' by respondents is consistent with responses to other established questions in labour household surveys during the pandemic, such as the reasons people worked fewer hours than usual in Labour Force statistics.

The proportion of people who worked from home due to flexible working arrangements increased from 13% in 2015 to 22% in 2021.

#### Main reason worked from home



In August 2021, 64 per cent of managers and professionals usually worked from home, compared to 25 per cent for all other occupations.

People who worked from home were more likely to:

- Work paid or unpaid overtime (47% of people who worked from home worked overtime, compared to 25% of workers who did not work from home)
- Prefer to work fewer hours (23%, compared to 11%)
- Have an agreement (written or unwritten) to work flexible hours (47%, compared to 28%)
- Work on weekdays only (74%, compared to 61%).

33 per cent of people interviewed in the Household Impacts of COVID-19 Survey in June 2021 wanted to continue working from home once life returned to normal after the pandemic.

## Independent contractors

Additional questions in the Characteristics of Employment Survey allow employment relationships to be reclassified using the Forms of Employment framework. This enables people's employment relationships to be classified as either:

- employees
- independent contractors
- other business operators.

## Forms of Employment framework

The following provides an outline of how people are classified in the Forms of employment framework.

In the monthly Labour Force survey (LFS), people are classified as employees, owner managers of incorporated enterprises (OMIEs) and owner managers of unincorporated enterprises (OMUEs) based on their responses to questions.

These people are then asked questions to identify key characteristics of employees, independent contractors and other business operators. The responses to these questions are then used to determine how people are classified as employees, independent contractors and other business operators in the Forms of employment framework.

#### These questions are:

- Do you work as an independent contractor in your job?
- Do you receive a pay slip/advice?
- Do you/Does your business invoice or bill clients/employers?

• Excluding wages and salary, are you able to make drawings from your employer/business?

The following decision table, shows how people are classified in the Forms of employment framework.

Status in employment (LFS)	Whether considered to be an independent contractor	Whether received pay slip/advice	Whether invoices or bills clients/employers	Whether able to make drawings from employer/business	emp
Employees	Yes	Yes	Yes	-	Ind (
Employees	Yes	Yes	No	Yes	Ind (
Employees	Yes	Yes	No	No	
Employees	Yes	No	Yes	-	Ind (
Employees	Yes	No	No	-	Ind (
Employees	No	Yes	-	-	
Employees	No	No	Yes	-	Ind (
Employees	No	No	No	-	
Owner managers	Yes	Yes	Yes	-	Ind (
Owner managers	Yes	Yes	No	Yes	Ind (
Owner managers	Yes	Yes	No	No	
Owner managers	Yes	No	Yes	-	Ind (
Owner managers	Yes	No	No	-	Ind (
Owner managers	No	Yes	Yes	-	Othei
Owner managers	No	Yes	No	Yes	Othei
Owner managers	No	Yes	No	No	

Status in employment (LFS)	Whether considered to be an independent contractor	Whether received pay slip/advice	Whether invoices or bills clients/employers	Whether able to make drawings from employer/business	emp
Owner managers	No	No	Yes	-	Othei
Owner managers	No	No	No	-	Othei

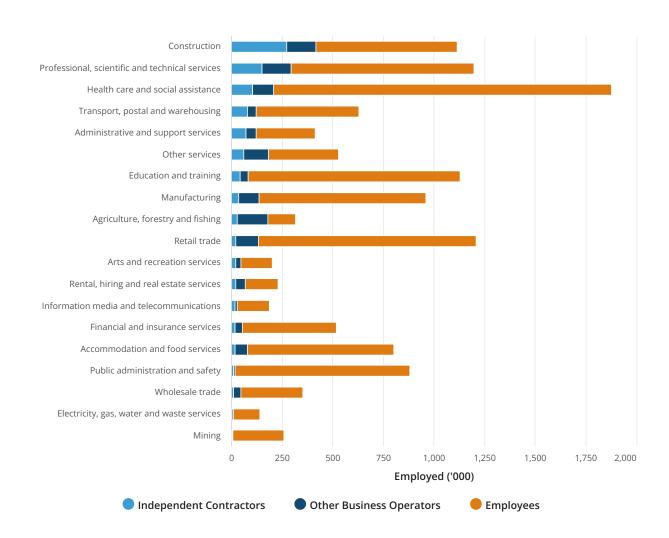
In August 2021, the industries which had the highest percentage of independent contractors were Construction (25%), Administrative and support services (18%) and Transport, postal and warehousing (13%).

The largest proportional increases for independent contractors from August 2014 to 2021 was seen in Information media and telecommunications (6% to 10%). The largest proportional decrease was seen in Construction (30% to 25%)

The industries with the highest proportion of other business operators were Agriculture, forestry and fishing (48%) and Other services (23%).

The industries with the highest proportion of non-employees (both independent contractors and other business operators) were Agriculture, forestry and fishing (57%) and Construction (38%).

## Forms of employment, by industry

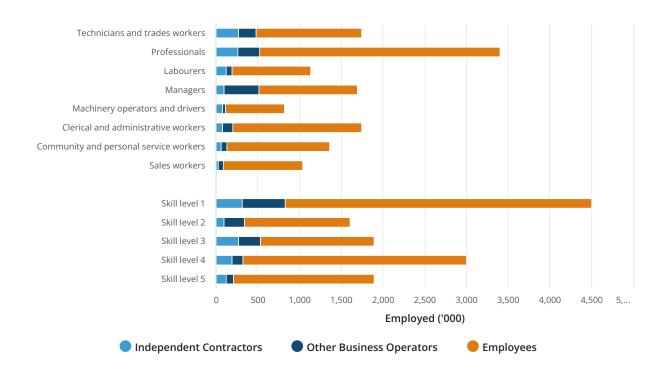


1. For more information on Industries, refer to <u>Australian and New Zealand Standard Industrial Classification</u> (<u>ANZSIC</u>) (<u>https://www.abs.gov.au/ausstats/abs@.nsf/mf/1292.0</u>)

The occupations with the highest proportions of Independent Contractors were:

- Technicians and trades workers (15%)
- Labourers (11%).
- Machinery operators and drivers (10%)

#### Forms of employment, by occupation



1. Data is coded to ANZSCO ver 1.2. For more information on Occupations and Skill level, refer to ANZSCO - Australian and New Zealand Standard Classification of Occupations (https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/1220.0Chapter32013,%20Version%201.3)

#### Labour hire

In August 2020, 3% of employees reported being registered with a labour hire firm or employment agency. Of these, 30% reported they were paid by a labour hire firm or employment agency.

The median weekly earnings for employees who were paid by a labour hire or employment agency were \$1,198, compared with \$1,150 for employees who were not registered with a labour hire or employment agency.

The occupations with the highest proportion of employees who were paid by a labour hire firm or employment agency were:

- Machinery operators and drivers (3.9%)
- Labourers (1.4%).

#### Data downloads

Table 1b - Median earnings for Employees by sex, state and status of employment, 2004–2021

<u>**Download XLSX**</u> [161.92 KB]

Table 1c - Median earnings for employees by state, full-time or part-time and status of employment, 2004–2021

<u>**Download XLSX**</u> [164.78 KB]

Table 2 - Median earnings for employees by demographic characteristics and full-time or part-time, 2021

<u>**Download XLSX**</u> [122.79 KB]

Table 3 - Distribution of earnings for employees by industry, 2021

<u>→ Download XLSX</u>
[113.22 KB]

Table 4 - Distribution of earnings for employees by occupation and skill level, 2021

<u>**Download XLSX**</u> [85.49 KB]

Table 5 - Distribution of earnings for employees by educational qualification, 2021

**<u>▶</u>** Download XLSX

[79.36 KB]

Table 7 - Median earnings for employees and OMIEs by working arrangements, 2021

<u>▶ Download XLSX</u>
[102.4 KB]

Table 8 - Median earnings for employees and OMIEs by demographic characteristics, 2021

<u>**Download XLSX**</u> [107.79 KB]

#### Table 9 - Form of employment by demographic characteristics, 2021

#### **<u> → Download XLSX</u>**

[69.5 KB]

# Table 10 - Form of employment by industry, occupation and educational qualification, 2021

**↓ Download** XLSX

[79.66 KB]

#### Previous catalogue number

- This release uses ABS catalogue number 6336.0\*.
- Data from this release was previously published in <u>Characteristics of Employment</u> (/statistics/labour/earnings-and-work-hours/characteristics-employment-australia /aug-2019) (catalogue number 6333.0\*\*).

Prior to 2014, statistics related to working arrangements were published in:

- Employee Earnings, Benefits and Trade Union Membership, Australia (https://www.abs.gov.au/ausstats/abs@.nsf/mf/6310.0) (catalogue number 6310.0)
- Forms of Employment, Australia (https://www.abs.gov.au/ausstats/abs@.nsf/mf/6359.0) (catalogue number 6359.0)
- <u>Working Time Arrangements, Australia (https://www.abs.gov.au/ausstats/abs@.nsf/PrimaryMainFeatures/6342.0)</u> (catalogue number 6342.0)
- <u>Locations of Work, Australia (https://www.abs.gov.au/ausstats/abs@.nsf</u>
  <u>/PrimaryMainFeatures/6275.0) (catalogue number 6275.0) (includes data on working from home)</u>
- Employment Benefits, Australia (https://www.abs.gov.au/ausstats/abs@.nsf/mf/6334.0) (catalogue number 6334.0).

\*Note: Catalogue number 6336.0 was previously used for Information Paper: Average Weekly Earnings: New Series to Replace Former Payroll Tax Based Series, 1982 (not yet available on website but a digital scan is available on request).

\*\*Note: Catalogue number 6333.0 was previously used for <u>Working Conditions</u>, <u>Australia</u> (<u>Preliminary</u>) (<u>https://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6335.0Feb-May%201979?OpenDocument</u>), Feb to May 1979.

## Methodology

Characteristics of Employment, Australia methodology, August 2021